

# Trends in Wholesale Volume, 1929-38

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THE estimates of aggregate value and physical volume of goods marketed at wholesale in the United States, which first appeared in the May 1938 issue of the SURVEY OF CURRENT BUSINESS, have been brought down through 1938, and revised for the years since 1929. These estimates represent an attempt to take the measure of the merchandise stream at the one point where the values of the components are all on as nearly the same plane as possible. This point is f. o. b. place of production or port of importation (duties have been added to the declared import values in the accompanying tabulation) and therefore measures the value of the merchandise just as it enters wholesale distribution channels in the United States. This revision and extension has been made to accommodate users of these figures who have requested from time to time more recent data.

The total value of goods marketed at wholesale amounted to nearly 84 billion dollars in 1929. The following years witnessed successive contraction to 35.3 billion dollars in 1932, the low point of the depression. The turn came in 1933, which was nearly 2 billion dollars better than 1932. Steady improvement continued through 1937, when the total reached 72.6 billion dollars. The recession of 1938 reduced the figure for that year to but little more than 60 billion dollars.

The actual physical flow of merchandise into wholesale channels did not fluctuate so widely as did the value of the merchandise because of the changes in wholesale prices. Thus, the drop in the volume of goods sold between 1929 and 1932 was but 38 percent, while the value fell 58 percent. The recovery since 1932 carried the physical volume up to 95.5 percent of the 1929 high, although the dollar value reached but 86.5 percent of the 1929 level. Again the 1938 recession was much less severe when measured by price deflated figures, the physical volume index dropping but 9 percent from 1937 as compared with a loss of 17 percent in the value index. The explanation, of course, lies in the fact that wholesale prices change frequently and fluctuate widely, thus coloring dollar value figures with their own characteristics. The actual volume flow is apt to be much steadier, a fact which the deflated value index reveals.

## The Wholesaling Concept

It will be recalled that these estimates constitute an attempt to measure the volume of wholesale trade quantitatively at the point where it first enters the channels of distribution in the United States. Wholesaling, according to Beckman and Engle, "Wholesaling, Principles and Practice," p. 25, "includes all marketing transactions in which the purchaser is actuated solely

by a profit or business motive in making the purchase." Attempts to measure wholesaling on the basis of this definition are difficult, since inadequate data are available. The measure included in these estimates taps the stream of wholesaling at its source, where the component items are on a more nearly comparable basis, with less duplication than elsewhere. On this basis the total volume in 1929 was 83.9 billion dollars. In the same year, the Census Bureau reported a total volume of wholesale trade conducted by specialized wholesale establishments amounting to 69 billion dollars. The total volume of wholesale transactions or turn-over amounted to 139 billion dollars in 1929, a figure which includes much duplication. Finally the very narrow field of wholesale trade conducted by merchant wholesalers with warehouses, salesmen, and full lines of merchandise, amounted to but 29.2 billion dollars in 1929. (See chs. 2 and 6, above-mentioned book.) All of these estimates have validity for certain purposes. The estimate used in the *Survey* and brought down to date is the only one available for a long series of years. It is probably of greater utility as a basis for computing an index than for the dollar volume estimates.

Estimated Aggregate Value and Physical Volume of Goods Marketed at Wholesale in the United States, 1929-1938

Year	1 Aggregate value index (1929=100)	2 Aggregate value of domestic production (millions of dollars)	3 Imports for con- sump- tion (including duties paid (millions of dollars)	4 Total value of goods marketed at whole- sale <sup>1</sup>	5 Index of value of goods marketed at whole- sale (1929=100)	6 Index of whole- sale prices (1929=100)	7 Index of physical volume of goods marketed at whole- sale (1929=100)
1929.....	17.9	14,187	888	15,075	17.9	84.8	32.7
1930.....	19.2	15,163	1,000	16,163	19.8	88.0	32.8
1931.....	19.1	15,064	1,042	16,106	19.2	88.0	33.1
1932.....	22.8	18,491	1,151	19,642	23.3	81.8	37.7
1933.....	22.9	18,030	1,299	19,329	23.1	82.6	37.0
1934.....	23.1	18,243	1,290	19,533	23.2	82.8	37.1
1935.....	26.0	20,434	1,345	21,779	26.1	82.1	41.4
1936.....	28.7	23,006	1,507	24,513	28.8	84.8	44.4
1937.....	30.1	23,772	1,744	25,516	30.4	88.4	44.9
1938.....	27.6	21,068	1,468	22,536	27.8	80.0	43.3
1939.....	32.6	25,740	1,677	27,417	32.8	90.0	46.0
1940.....	35.1	27,721	1,874	29,595	35.3	93.0	47.8
1941.....	31.6	24,906	1,638	26,544	31.9	88.1	46.8
1942.....	38.2	30,100	1,948	32,048	38.3	92.5	52.8
1943.....	37.7	29,774	2,090	31,864	38.0	92.3	51.9
1944.....	37.6	29,010	2,100	31,110	37.8	91.5	53.0
1945.....	44.1	34,828	1,978	36,806	43.8	93.0	60.2
1946.....	37.8	45,048	2,073	47,121	37.6	89.7	60.1
1947.....	37.5	60,104	3,124	63,228	37.1	89.1	60.8
1948.....	34.3	74,474	3,123	77,597	32.6	87.3	67.1
1949.....	34.7	74,760	4,008	78,768	32.4	86.6	66.6
1950.....	117.1	92,490	5,428	97,918	116.7	103.0	88.9
1951.....	64.3	80,782	2,840	83,622	68.0	102.4	82.4
1952.....	75.0	89,223	3,525	92,748	74.8	101.6	83.7
1953.....	87.0	99,430	4,200	103,630	87.9	103.8	83.2
1954.....	82.5	65,125	4,107	69,232	82.0	102.9	80.3
1955.....	91.0	71,868	4,728	76,596	91.3	103.6	84.1
1956.....	94.6	74,032	4,906	78,938	94.9	104.0	86.6
1957.....	90.5	71,473	4,735	76,208	90.8	100.1	80.7
1958.....	87.1	70,080	4,620	74,700	88.9	101.5	85.5
1959.....	108.0	78,070	4,924	82,994	108.0	100.0	100.0
1960.....	78.6	61,990	3,675	65,665	78.2	90.7	88.2
1961.....	67.8	45,025	2,450	47,475	67.3	70.0	74.8
1962.....	42.7	32,723	1,584	34,307	42.1	58.0	51.9
1963.....	45.0	35,876	1,717	37,593	44.4	60.2	54.2
1964.....	54.3	43,884	1,937	45,821	53.4	78.0	67.0
1965.....	65.1	51,434	2,280	53,714	64.1	83.9	75.4
1966.....	77.0	60,813	2,332	63,145	75.0	84.9	80.5
1967.....	87.4	69,973	3,480	73,453	86.6	98.6	86.5
1968.....	73.2	57,810	2,263	60,073	71.0	92.6	85.8

<sup>1</sup> Originally appeared in the Survey of Current Business, May 1938, revised August 1939.